

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____ B This return/report is: <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input checked="" type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). C If the plan is a collectively-bargained plan, check here. <input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>LANS DEFINED BENEFIT PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<div style="border: 1px solid black; padding: 2px; display: inline-block;">003</div>	
	1c Effective date of plan <u>06/01/2006</u>		
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LOS ALAMOS NATIONAL SECURITY, LLC</u> <u>PO BOX 1663</u> <u>MAIL STOP P280</u> <u>LOS ALAMOS, NM 87545</u>	2b Employer Identification Number (EIN) <u>20-3104541</u>	2c Plan Sponsor's telephone number <u>505-665-9651</u>	2d Business code (see instructions) <u>541990</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2016	ROSALIND TORRENCE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor LLNS/LANS BENEFITS AND INVESTMENT COMMITTEE PO BOX 1663 MAIL STOP P280 LOS ALAMOS, NM 87545	3b Administrator's EIN 20-3104541
	3c Administrator's telephone number 505-665-9651
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 6200
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 4462
a(2) Total number of active participants at the end of the plan year	6a(2) 4227
b Retired or separated participants receiving benefits.....	6b 1349
c Other retired or separated participants entitled to future benefits.....	6c 592
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 6168
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 29
f Total. Add lines 6d and 6e	6f 6197
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3F	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> <u>0</u> A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LANS DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LOS ALAMOS NATIONAL SECURITY, LLC	D Employer Identification Number (EIN) 20-3104541
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2015	
2 Assets:	
a Market value	2a 3588132082
b Actuarial value	2b 3404672173
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 1144 (2) Vested Funding Target 807405258 (3) Total Funding Target 807405258
b For terminated vested participants	594 138444744 138444744
c For active participants	4462 1582161862 1585926622
d Total	6200 2528011864 2531776624
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	<input type="checkbox"/>
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 6.46%
6 Target normal cost	6 91905185

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		09/14/2016
Signature of actuary		Date
LAURA DALZELL		14-07044
Type or print name of actuary		Most recent enrollment number
TOWERS WATSON DELAWARE INC.		415-733-4327
Firm name		Telephone number (including area code)
345 CALIFORNIA STREET, SUITE 2000 SAN FRANCISCO, CA 94104		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2015
v. 150123

Part II	Beginning of Year Carryover and Prefunding Balances
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		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	223885547
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	223885547
10	Interest on line 9 using prior year's actual return of <u>15.02</u> %	0	33627609
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		128974486
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.66</u> %		8589701
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance.....		137564187
d	Portion of (c) to be added to prefunding balance		137564187
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	395077343

Part III	Funding Percentages
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14	Funding target attainment percentage.....	14	118.87 %
15	Adjusted funding target attainment percentage	15	134.47 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	121.59 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and Liquidity Shortfalls
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18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2016	134000000	0			
12/31/2015	0	29121751			
			Totals ►	18(b)	18(c)
				134000000	29121751

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	123656089

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	91905185										
b Excess assets, if applicable, but not greater than line 31a	31b	91905185										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0										
	Carryover balance	Prefunding balance	Total balance									
35 Balances elected for use to offset funding requirement.....	0	0	0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	123656089										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	123656089										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years.....	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>LANS DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LOS ALAMOS NATIONAL SECURITY, LLC</u>	D Employer Identification Number (EIN) <u>20-3104541</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	140000000	134000000
(2) Participant contributions	1b(2)	846537	934038
(3) Other.....	1b(3)	3339	7683
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)	3450567895	3458055607
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3591417771	3592997328

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities.....	1j	1665499	2186402
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1665499	2186402

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3589752272	3590810926
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	134000000	
(B) Participants	2a(1)(B)	29209252	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		163209252
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		-102348312
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		60860940

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	59802286	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		59802286
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		59802286

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1058654
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MOSS ADAMS

(2) EIN: 91-0189318

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		<input checked="" type="checkbox"/>		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		<input checked="" type="checkbox"/>		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			1500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)				
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust

6b Trust's EIN

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015					
A Name of plan LANS DEFINED BENEFIT PENSION PLAN				B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 LOS ALAMOS NATIONAL SECURITY, LLC				D Employer Identification Number (EIN) 20-3104541	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 20-3104541					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	0
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input checked="" type="checkbox"/> No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? <input type="checkbox"/> Yes <input type="checkbox"/> No					
11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) <input type="checkbox"/> Yes <input type="checkbox"/> No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? <input type="checkbox"/> Yes <input type="checkbox"/> No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2015 v. 150123	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		14a	
	a The current year		14b	
	b The plan year immediately preceding the current plan year		14c	
	c The second preceding plan year			
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:			
	a The corresponding number for the plan year immediately preceding the current plan year		15a	
	b The corresponding number for the second preceding plan year		15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:			
	a Enter the number of employers who withdrew during the preceding plan year		16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers		16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. <input type="checkbox"/>			

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. <input type="checkbox"/>
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: <u>56.0</u> % Investment-Grade Debt: <u>44.0</u> % High-Yield Debt: <u>0.0</u> % Real Estate: <u>0.0</u> % Other: <u>0.0</u> %
	b Provide the average duration of the combined investment-grade and high-yield debt: <input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input checked="" type="checkbox"/> 21 years or more
	c What duration measure was used to calculate line 19(b)? <input checked="" type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify):

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	<input type="checkbox"/> Design-based safe harbor method	<input type="checkbox"/> ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	<input type="checkbox"/> Ratio percentage test	<input type="checkbox"/> Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
22a Has the plan been timely amended for all required tax law changes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No



Report of Independent Auditors and
Financial Statements

LANS Defined Benefit Pension Plan

December 31, 2015 and 2014

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator
LANS Defined Benefit Pension Plan

Report on Financial Statements

We were engaged to audit the accompanying financial statements of the LANS Defined Benefit Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis of Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by The Bank of New York Mellon/BNY Mellon N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2015 and 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. Accordingly, we do not express an opinion on these financial statements.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Moss Adams LLP

Campbell, California
October 11, 2016

FINANCIAL STATEMENTS

LANS DEFINED BENEFIT PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Investments, at fair value		
Participation in the LLNS/LANS Group Trust	\$ 3,458,055,607	\$ 3,450,567,895
Receivables:		
Miscellaneous	7,683	3,339
Employer's contribution receivable	134,000,000	140,000,000
Participants' contributions receivable	934,038	846,537
Total receivables	<u>134,941,721</u>	<u>140,849,876</u>
Total assets	<u>3,592,997,328</u>	<u>3,591,417,771</u>
Liabilities:		
Accrued expenses	<u>2,186,402</u>	<u>1,665,499</u>
Total liabilities	<u>2,186,402</u>	<u>1,665,499</u>
Net assets available for benefits	<u>\$ 3,590,810,926</u>	<u>\$ 3,589,752,272</u>

See accompanying notes.

LANS DEFINED BENEFIT PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions to net assets attributed to:		
Investment income (loss):		
Participation in the LLNS/LANS Group Trust	\$ (91,967,409)	\$ 456,865,608
Contributions:		
Employer's	134,000,000	140,000,000
Participants'	29,209,252	29,739,889
	<u>163,209,252</u>	<u>169,739,889</u>
Total additions	<u>71,241,843</u>	<u>626,605,497</u>
Deductions from net assets attributed to:		
Benefits paid to participants	59,802,286	48,145,498
Administrative expenses	10,380,903	10,414,429
Total deductions	<u>70,183,189</u>	<u>58,559,927</u>
Net increase in net assets	1,058,654	568,045,570
Net assets available for benefits:		
Beginning of year	<u>3,589,752,272</u>	<u>3,021,706,702</u>
End of year	<u>\$ 3,590,810,926</u>	<u>\$ 3,589,752,272</u>

See accompanying notes.

LANS DEFINED BENEFIT PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES

General – The following description of the LANS Defined Benefit Pension Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined benefit plan that was established on June 1, 2006 by Los Alamos National Security, LLC (the Company) to provide benefits to eligible employees, as defined in the Plan document. The Plan is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code) and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is a closed Plan and participants under the Plan include employees of the Company who on May 31, 2006, were employed by, or on an approved leave of absence from employment with the University of California, and were participating in the University of California Retirement Plan (UCRP) or in an employment classification eligible to participate in the Plan, and who did not elect retired or inactive vested status in the UCRP, and who made a Choice Election to accept employment with the Company on June 1, 2006 in accordance with the terms of Total Compensation Package 1 (TCP1). Participants of the Plan also include individuals who transitioned from employment with the University of California to employment with the Company as of June 1, 2006 who are identified by the Company and the National Nuclear Security Administration as "key personnel" in clause I-119 DEAR 952.215-70 of Contract Number DE-AC52-06NA25396 between the Company and the Department of Energy/National Nuclear Security Administration related to the operation of the Los Alamos National Laboratory.

On August 1, 2008, the Lawrence Livermore National Security, LLC (LLNS) and Los Alamos National Security, LLC Defined Benefit Pension Plan Group Trust (the Group Trust) was formed from the pension assets of the Plan and the LLNS Defined Benefit Pension Plan. In the context of pension plans, a group trust is a separate trust which invests together some or all of the assets of "participating trusts." The Plan is one participating trust and the LLNS Defined Benefit Pension Plan is the other participating trust. The assets are commingled for investment purposes only at the direction of the participating trusts, and are not commingled to pay Plan benefits. The Company and LLNS will continue to sponsor separate qualified pension plans and maintain separate participating trusts. As of December 31, 2015 and 2014, the Plan's interest in the Group Trust was 57.41% and 56.65%, respectively.

The pooling of assets of tax exempt trusts does not affect the tax exempt status of the participating trusts or the qualified status of their related plans, according to Rev. Rul. 81-100. According to Rev. Rul. 81-100, each participating trust remains fully separate and independent from the other participating trust.

Administration – The Company has appointed a Benefits and Investment Committee (the Committee) to manage the operation and administration of the Plan. The Company has contracted with The Bank of New York Mellon, successor by operation of law to Mellon Bank, N.A. (Mellon), to act as the trustee for the Plan. The Company contracted with Aon Hewitt to act as the Plan's actuary and third-party administrator. Effective April 1, 2015, the Company contracted with Towers Watson Delaware Inc. (Towers Watson) to act as the Plan's actuary. Substantially all expenses incurred for administering the Plan are paid out of the Plan, unless paid by the Company.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Basis of accounting – The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Participant contributions – The Plan requires mandatory participant contributions equal to 6% of earnings below the Social Security Wage Base, plus 8% of earnings above the Social Security Wage Base minus \$8.77 each pay period.

Vesting – The Plan provides that benefits vest to participants based on years of service as follows: less than five years of credited service, zero; five or more years of credited service, 100%.

Pension benefits – Benefits become payable to the participant after five years of service and:

- (a) electing early retirement upon attaining age 50; or
- (b) electing normal retirement upon attaining age 60; or

(c) upon actual retirement if later than age 60.

For married participants who do not elect otherwise, benefits will be paid on the basis of a 50% joint and contingent annuity, as stipulated by ERISA, and will be the amount determined under the benefit formula stated in the Plan multiplied by the appropriate factor. If a participant is unmarried, benefits will be paid on the basis of a Single Life Annuity and will be for the amount determined under the Plan's benefit formula.

Death and disability benefits – There are no benefits payable during a period of disability prior to retirement under the Plan. The surviving spouse of a participant who has provided at least two years of credited service will be eligible to receive a survivor annuity and the designated beneficiary of such participant will receive a one-time single sum basic death benefit from the Plan.

Investment valuation and income recognition – The Plan's investments are held in the Group Trust by Mellon and investment elections are based solely on the instructions received from the Committee. The investments held in the Group Trust are reported at fair value. The Plan's trustee, Mellon, certifies the fair market value of all investments. If available, quoted market prices are used to value investments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements.

The Group Trust records purchases and sales of securities on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) reported by the Group Trust includes the gains and losses of investments bought or sold as well as held during the year. The Plan presents its share of the investment income in the Group Trust in the statements of changes in net assets available for benefits.

Income taxes – The Plan has been amended since receiving its latest favorable determination letter dated August 22, 2013. The Plan administrator believes that the Plan is operated in accordance with, and qualifies under, the applicable requirements of the Code and related state statutes, and that the trust, which forms a part of the Plan, is exempt from federal income and state franchise taxes.

In accordance with guidance on accounting for uncertainty in income taxes (ASC 740-10), management evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Risks and uncertainties – The Plan invests its assets in the Group Trust. The Group Trust utilizes various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Plan contributions, if any, and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 2 – FAIR VALUE MEASUREMENTS

The fair value measurements standard establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

LANS DEFINED BENEFIT PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets held by the Group Trust measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Registered investment companies: Valued at the daily closing price as reported by the fund. Registered investment companies held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The registered investment companies held by the Plan are deemed to be actively traded.

Common/collective trusts: Units held in common/collective trusts (CCT) are valued using the NAV practical expedient of the CCT as reported by the CCT managers. The NAV practical expedient is based on the fair value of the underlying assets owned by the CCT, minus its liabilities, and then divided by the number of units outstanding. The NAV practical expedient of a CCT is calculated based on a compilation of primarily observable market information. There are no redemption restrictions on the Group Trust's investments in common/collective trusts.

Preferred corporate stocks, government securities, government short term investment funds (interest-bearing cash and cash equivalents), and other investments listed on a national securities exchange and over-the-counter securities are valued at the last reported sale price on the valuation date or, if no sales are reported for that day, the last published sale price.

Corporate debt instruments are valued based on market values quoted by dealers who are market makers in these securities, by independent pricing services or by a methodology approved by Mellon.

Partner/joint venture interests – Valued using the market approach at the NAV practical expedient. NAV is used as a practical expedient to estimate fair value and which represents the Group Trust's proportionate share of the estimated fair value of the underlying net assets of the partner/joint venture interests.

Asset-backed securities included in securities lending collateral – These are bonds or notes backed by financial assets. Institutional observable inputs are used with an income valuation technique provided by outside vendors.

Certificates of deposit, repurchase agreements and commercial paper included in securities lending collateral are valued using a market approach and are carried at cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Group Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

LANS DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

The following tables set forth by level, within the fair value hierarchy, the investments of the Group Trust at fair value as of December 31, 2015 and 2014:

2015				
	Level 1	Level 2	Level 3	Total
Assets:				
Interest-bearing cash	\$ 1,004,908	\$ -	\$ -	\$ 1,004,908
Corporate stock - common	1,777,412,685		-	1,777,412,685
U.S. and other government securities	676,368,476	6,678,898	-	683,047,374
Corporate stock - preferred	1,539,047	-	-	1,539,047
Corporate debt instruments	-	1,764,364,232	-	1,764,364,232
Other investments	2,562,593	91,088,364	-	93,650,957
Registered investment companies	563,792,973	-	-	563,792,973
Security lending collateral	116,401	550,170,709	-	550,287,110
Total assets in the fair value hierarchy	<u>\$ 3,022,797,083</u>	<u>\$ 2,412,302,203</u>	<u>\$ -</u>	5,435,099,286
Investments measured at NAV practical expedient				<u>1,135,753,817</u>
Investments at fair value				<u>\$ 6,570,853,103</u>

2014				
	Level 1	Level 2	Level 3	Total
Assets:				
Interest-bearing cash	\$ 1,387,172	\$ -	\$ -	\$ 1,387,172
Corporate stock - common	1,489,382,178	-	-	1,489,382,178
U.S. and other government securities	790,412,098	-	-	790,412,098
Corporate stock - preferred	1,374,607	-	-	1,374,607
Corporate debt instruments	-	1,717,379,717	-	1,717,379,717
Other investments	43,836,276	88,495,231	-	132,331,507
Registered investment companies	527,211,765	-	-	527,211,765
Security lending collateral	29,202,667	681,819,887	-	711,022,554
Total assets in the fair value hierarchy	<u>\$ 2,882,806,763</u>	<u>\$ 2,487,694,835</u>	<u>\$ -</u>	5,370,501,598
Investments measured at NAV practical expedient				<u>1,531,061,897</u>
Investments at fair value				<u>\$ 6,901,563,495</u>

The following sets forth additional disclosures for the fair value measurement of significant investments in certain entities held in the Group Trust that calculate NAV per share (or its equivalent) as of December 31, 2015 and 2014:

Sanderson International Value Group Trust

For redemptions, the fund requires written notice ten business days prior to month end and funds are paid out on the fifth business day unless cash flows permit the redemption to be accelerated. A maximum transaction charge of 60/40 basis points is applied to contributions/redemptions, respectively.

NOTE 3 – PARTY-IN-INTEREST TRANSACTIONS

Certain investments and securities lending activities in the Group Trust are managed by Mellon. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

LANS DEFINED BENEFIT PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits represent the estimated future periodic payments, including lump sum distributions, under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated Plan benefits include benefits expected to be paid to:

- (a) retired or terminated employees or their beneficiaries; or
- (b) beneficiaries of employees who have died; or
- (c) present employees or their beneficiaries.

Benefits under the Plan are based on years of service and benefit credit rates. The accumulated Plan benefits for active employees are based on years of service and benefit credit rates on the date at which the benefit information is presented (valuation date). Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated Plan benefits is determined by the Plan's actuary, Willis Towers Watson, and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2015 (beginning of the Plan year) are as follows:

Interest rate:	6.75%
Mortality assumption:	The RP-2014 Employee and Annuitant Mortality Table for Males and Females projected generationally using sex-distinct Scale MP
Retirement age:	Retirement rates vary from 50 to 60 years old

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The actuarial present value of accumulated Plan benefits at January 1, 2015 is as follows:

Actuarial present value of accumulated
Plan benefits:

Vested benefits	
Participants currently receiving payments	\$ 812,234,285
Vested benefits for other participants	<u>1,756,982,933</u>
Total vested Plan benefits	2,569,217,218
Nonvested benefits	<u>2,608,594</u>
Total actuarial present value of accumulated Plan benefits	<u><u>\$ 2,571,825,812</u></u>

LANS DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

The change in the actuarial present value of accumulated Plan benefits at January 1, 2015 is as follows:

Actuarial present value of Plan benefits, January 1, 2014	<u>\$ 2,115,371,930</u>
Increase (decrease) during the year attributable to:	
Benefits accumulated	109,836,730
Actuarial (gains)/losses	10,856,430
Decrease in the discount period	154,079,514
Benefits paid	(48,145,498)
Assumption changes	<u>229,826,706</u>
	<u>456,453,882</u>
Actuarial present value of accumulated Plan benefits, January 1, 2015	<u><u>\$ 2,571,825,812</u></u>

The following assumptions were changed since January 1, 2014 (the last valuation date):

- The mortality assumptions changed from the 2014 Static Mortality Table for Annuitants and Non-Annuitants for 2014 to the RP-2014 Employee and Annuitant Mortality Table for Males and Females projected generationally using sex-distinct Scale MP for 2015.
- The discount rate was changed from 7% used in 2014 to 6.75% used in 2015.

NOTE 5 – FUNDING POLICY

It is the policy of the Company to fund pension costs as accrued. Annual contributions, if any, are determined by the Plan's actuary to meet the requirements of the Funding Standard Account prescribed by ERISA and the Code. The Plan has met the minimum funding amounts as well as the specified timing requirements required by ERISA and the Code for the years ended December 31, 2015 and 2014.

NOTE 6 – PARTICIPATION IN THE GROUP TRUST

The Plan's participation in the Group Trust reported on the statements of net assets consists of the investments held at fair value, certain receivables and liabilities that are not reported separately on the Plan's financial statements as follows at December 31:

	<u>2015</u>	<u>2014</u>
Investments, at fair value (Note 2)	\$ 6,570,853,103	\$ 6,901,563,495
Cash	842,178	
Due from investment managers	233,378,280	254,702,753
Obligation to return collateral under security lending agreement	(550,607,631)	(711,132,126)
Due to investment managers	<u>(154,251,169)</u>	<u>(269,898,098)</u>
Net assets allocable to the participating Plans	<u><u>\$ 6,100,214,761</u></u>	<u><u>\$ 6,175,236,024</u></u>
Allocated to the LANS Defined Benefit Pension Plan	\$ 3,458,055,607	\$ 3,450,567,895
Allocated to the LLNS Defined Benefit Pension Plan	<u>2,642,159,154</u>	<u>2,724,668,129</u>
	<u><u>\$ 6,100,214,761</u></u>	<u><u>\$ 6,175,236,024</u></u>

LANS DEFINED BENEFIT PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

The Plan's participation in the Group Trust reported on the statements of changes in net assets consists of investment income as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Investment income		
Net appreciation in fair value of investments	\$ (266,055,447)	\$ 629,610,598
Interest	103,508,225	90,608,546
Dividends	42,368,490	43,252,162
Other investment income	<u>(17,099,075)</u>	<u>10,506,663</u>
Total investment income reported by the Group Trust	<u>\$ (137,277,807)</u>	<u>\$ 773,977,969</u>
Allocated to the LANS Defined Benefit Pension Plan	\$ (91,967,409)	\$ 456,865,608
Allocated to the LLNS Defined Benefit Pension Plan	<u>(45,310,398)</u>	<u>317,112,361</u>
	<u>\$ (137,277,807)</u>	<u>\$ 773,977,969</u>

NOTE 7 – CERTIFIED INFORMATION

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mellon, the trustee of the Plan, has certified to the completeness and accuracy of:

- The Plan's participation in the Group Trust reflected on the accompanying statements of net assets available for benefits as of December 31, 2015 and 2014.
- The Plan's interest in the investment income in the Group Trust reflected on the accompanying statements of changes in net assets available for benefits for the years ended December 31, 2015 and 2014.
- Investment information and investment income disclosed related to the Group Trust in Note 6 as of and for the years ended December 31, 2015 and 2014.

NOTE 8 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of operations, assets in the Group Trust are invested in financial instruments that may give rise to off-balance sheet risk. These instruments involve, in varying degrees, elements of credit and market risk in excess of the amounts recognized on the statements of net assets available for benefits. The notional value provides a measure of the Group Trust's involvement in such instruments but is not indicative of potential loss. The intent is to use these financial instruments to reduce, rather than increase, market risk. For 2015 and 2014, financial instruments consisted of futures contracts and are included under "Other investments" on the statements of net assets available for benefits.

NOTE 9 – DERIVATIVE FINANCIAL INSTRUMENTS

The Group Trust enters into futures contracts in the normal course of its investing activities to manage market risk associated with the Group Trust's fixed income investments and to achieve overall investment portfolio objectives. During 2015 and 2014, futures contracts consisted of U.S. Treasury securities and these investments were made in accordance with the guidelines set forth by the Committee. The credit risk associated with these contracts is minimal because they are traded on organized exchanges. The Group Trust's notional exposure related to these futures contracts was approximately (\$421,028,000) and \$23,423,000 for 2015 and 2014, respectively.

During the period the contract is open, changes in the value of the contract are recognized as unrealized gains or losses by daily marking to market the contract to reflect the market value of the contract at the end of each day's trading. The Group Trust receives from, or pays to, the broker an amount equal to the daily fluctuation in the market value of the contract known as margin variation, which is recognized in the net appreciation in fair value of investments.

The Group Trust is exposed to credit loss in the event of nonperformance by a counterparty to its contractual obligations. Based on the extent of the investment in these derivatives with any one counterparty, the Company has determined that the risk of loss to the Group Trust in the event of nonperformance by a counterparty is not significant. The Group Trust does not anticipate nonperformance by a counterparty. The fair value of the derivative instruments held by the Group Trust is based on the value of the underlying securities and is not material to total assets at December 31, 2015 and 2014. The related earnings on these derivative instruments is not significant to the Plan in 2015 and 2014.

NOTE 10 – SECURITIES LENDING

The Group Trust participates in a securities lending program with the trustee. The program allows the trustee to lend securities, which are assets of the Group Trust, to approved borrowers in exchange for collateral (cash and non-cash). For U.S. securities, the collateral requirement is 102% of the fair market value of the securities lent. For foreign securities, the collateral requirement is 105% of the fair market value of the securities lent. In the event that the lent securities are not returned by the borrower and the collateral proceeds are insufficient to replace any of the lent securities, the trustee will pay such amounts as are necessary to make the Group Trust whole. As of December 31, 2015, collateral for securities on loan from the Group Trust, as shown in the investments of the Group Trust in Note 2, included reinvested collateral in accordance with the guidelines in the Securities Lending Authorization Agreement (Lending Agreement) of \$550,170,709 and cash of \$116,401. As of December 31, 2015, all collateral was reinvested in approved investments specified in the Lending Agreement.

The Group Trust and the trustee receive a percentage of the net income derived from the securities lending activities based on the type of securities received as collateral. Income earned by the Group Trust during 2015 and 2014 was approximately \$1,894,000 and \$1,777,000, respectively, net of trustee fees.

NOTE 11 – PLAN TERMINATION OR MODIFICATION

With prior approval of the National Nuclear Security Administration, the Company can terminate the Plan, subject to the provisions of Federal Law. Upon the termination of the Plan, partially or in its entirety, the rights of all affected participants to benefits accrued to the date of such termination, to the extent funded as of such date, are nonforfeitable. Provided, however, that upon termination of the Plan, the Company's obligation to make further contributions to the Plan on behalf of affected participants shall cease, except for any additional contribution that may be necessary to meet the minimum funding or other requirements of ERISA.

In the event of a complete termination of the Plan, funds will be distributed to the extent available, in the following order:

- Accrued benefits derived from mandatory employee contributions.
- Annuity benefits that were in pay status before the beginning of the three-year period ending on the termination date, and those annuity benefits that could have been in pay status for participants who, before the beginning of the three-year period ending on the termination date, had reached their earliest retirement date as defined by the Pension Benefit Guaranty Corporation (the PBGC).
- Other vested benefits insured by the PBGC up to the applicable limits
- All other vested benefits
- All other participants

Any residual assets of the Plan will be distributed to the Company, provided that all liabilities of the Plan have been paid.

Certain benefits under the Plan are insured by the PBGC. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of termination. There is a statutory ceiling, which is adjusted periodically, on the amount of a participant's monthly benefit that the PBGC guarantees. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan's sponsor and the level of benefits guaranteed by the PBGC.

LANS DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – SUBSEQUENT EVENT

The Plan has evaluated subsequent events through October 11, 2016, which is the date the financial statements were available to be issued and determined that there were no subsequent events.

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2015

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		5		11		3		0		0		0		0		0		0	
30 - 34	0		10		60	80,214	113	75,402	4		0		0		0		0		0	
35 - 39	0		7		70	83,021	206	93,803	44	90,722	1		0		0		0		0	
40 - 44	0		12		109	86,688	281	105,949	160	115,275	36	109,182	5		0		0		0	
45 - 49	0		3		97	93,487	250	107,991	255	126,776	103	131,951	29	105,740	3		0		0	
50 - 54	0		2		104	98,043	280	111,897	281	126,069	172	139,197	163	122,349	85	107,645	7		0	
55 - 59	0		1		71	97,925	237	110,252	167	127,519	130	142,939	174	129,364	119	121,479	65	94,936	1	
60 - 64	0		3		45	103,446	139	112,978	72	133,839	38	136,572	61	138,481	38	146,118	20	134,179	0	
65 - 69	0		1		21	112,034	38	110,619	18		8		4		2		4		0	
70 & Over	0		0		3		10		1		0		0		0		0		0	

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
 Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods
as of January 1, 2015

Economic Assumptions

Interest rate basis:

- Applicable month January
- Interest rate basis 3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
● First segment rate	4.72%	1.22%
● Second segment rate	6.11%	4.11%
● Third segment rate	6.81%	5.20%
● Effective interest rate	6.46%	4.72%

Annual rates of increase

- Compensation:
 - Representative rates

Salary Merit Increase Rates

Age	Rate
20	0.00%
25	5.50%
30	5.00%
35	4.40%
40	3.80%
45	3.30%
50	3.00%
55	2.70%
60	2.40%
65	2.20%
70	2.10%

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Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality

● **Healthy** Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2030 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2022 using Scale AA).

● **Disabled** Same as healthy mortality.

Termination Representative rates varying by age and service are shown below:

Percentage leaving during the year				
Attained Age	Years of Service			
	0	1	2	3+
20	27%	20%	20%	14%
25	25%	20%	15%	8%
30	23%	18%	15%	6%
35	18%	15%	12%	5%
40	15%	10%	10%	4%
45	15%	7%	6%	3%
50	12%	7%	6%	3%
55	12%	7%	4%	3%
60	12%	7%	4%	3%
65	0%	0%	0%	0%

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Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Disability

Representative rates at which participants become disabled by age and gender are shown below:

Percentage becoming disabled during the year		
Age	Males	Females
25	0.15%	0.08%
30	0.16%	0.10%
35	0.18%	0.16%
40	0.22%	0.26%
45	0.28%	0.38%
50	0.37%	0.57%
55	0.51%	0.80%
60	0.78%	1.12%
65	1.24%	1.45%
70	1.80%	1.76%

Retirement

Rates varying by age, average age 62.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rate
50	2.00%
51	2.00%
52	2.00%
53	2.00%
54	2.00%
55	3.00%
56	3.00%
57	5.00%
58	5.00%
59	13.00%
60	13.00%
61	13.00%
62	13.00%
63	13.00%
64	13.00%
65	15.00%
66	25.00%
67	25.00%

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Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

68	25.00%
69	25.00%
70+	100.00%

Benefit commencement date:

- Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 50.
- Deferred vested benefit The later of age 59 or termination of employment.
- Disability benefit The later of age 59 or disability.
- Retirement benefit Upon termination of employment.

Form of payment

Single participants: single life annuity
Married participants: joint and 50% survivor annuity

Percent married

It is assumed that the following percentages of males and females have an eligible dependent. Representative rates of percentage married at certain ages are shown below:

Percentage married		
Age	Males	Females
20	58.0%	66.5%
25	85.0%	89.5%
30	91.5%	92.5%
35	93.0%	94.0%
40	93.5%	93.5%
45	94.0%	92.5%
50	95.0%	91.0%
55	94.5%	89.0%
60	94.0%	85.0%
65	93.0%	80.0%

Spouse age

Wife three years younger than husband.

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Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Covered pay	Prior year pensionable earnings rolled forward one year with the salary increase assumption.
Administrative expenses	The expense load was based on the prior year's actual plan administrative expenses, minus the previous year's PBGC premium, plus the current year's estimated PBGC premium rounded to the nearest \$100,000 (\$1,400,000 for 2015).
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of the plan year.
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan related expenses expected to be paid from the plan year as required by regulations under IRC §430.
Actuarial value of assets for determining minimum required contributions	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(c)(iii).</p>
Benefits not valued	Willis Towers Watson is not aware of any other significant benefits required to be valued that were not.

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
 Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Rates of increase in:	
<ul style="list-style-type: none"> Compensation, National Average Wages (NAW), and CPI 	Assumed increases were chosen by the plan sponsor and, as required by the IRC, they represent an estimate of future experience.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Disabled Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	<p>Termination rates were based on an experience study conducted October 2013.</p> <p>Termination rates for at-risk funding calculations are as required by IRC 430.</p>
Disability	Disability rates are based on future expectation informed by past experience.
Retirement	<p>Retirement rates were based on an experience study conducted October 2013.</p> <p>Retirement rates for at-risk funding calculations are as required by IRC 430.</p>
Benefit commencement date for deferred benefits:	
<ul style="list-style-type: none"> Preretirement death benefit 	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
<ul style="list-style-type: none"> Deferred vested benefit 	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement.
Form of payment	The retiring participants eligible for joint and survivor annuities are assumed to take the 50% joint and survivor annuity since the benefit form is subsidized by LANS.

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
 Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Percent married	The assumed percentage married is based on observed experience.
Spouse age	The assumed age difference for spouses is based on observed experience.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Changes in Assumptions and Methods

Change in assumptions since prior valuation	<p>A change in the interest rate assumption from segment rates as of January 2014 to segment rates as of January 2015, each adjusted as applicable to fall within the 25-year average interest rate corridor under MAP-21.</p> <p>A change in the mortality assumption from the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2015 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).</p>
Change in methods since prior valuation	None.

Plan Name: LANS Defined Benefit Pension Plan
EIN / PN: 20-3104541 / 003
Plan Sponsor: Los Alamos National Security, LLC
Valuation Date: January 1, 2015

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2015 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A	This return/report is for: <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) _____
B	This return/report is: <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C	If the plan is a collectively-bargained plan, check here. _____ ▶ <input type="checkbox"/>
D	Check box if filing under: <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description) _____

Part II	Basic Plan Information—enter all requested information
1a Name of plan LANS DEFINED BENEFIT PENSION PLAN	1b Three-digit plan number (PN) ▶ <u>003</u> 1c Effective date of plan <u>06/01/2006</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) LOS ALAMOS NATIONAL SECURITY, LLC PO BOX 1663 MAIL STOP P280 LOS ALAMOS NM 87545	2b Employer Identification Number (EIN) <u>20-3104541</u> 2c Plan Sponsor's telephone number <u>505-665-9651</u> 2d Business code (see instructions) <u>541990</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<i>Rosalind D Torrence</i>	<u>10/13/16</u>	ROSALIND TORRENCE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor LLNS/LANS BENEFITS AND INVESTMENT COMMITTEE PO BOX 1663 MAIL STOP P280 LOS ALAMOS NM 87545	3b Administrator's EIN 20-3104541 3c Administrator's telephone number 505-665-9651
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 6,200
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 4,462
a(2) Total number of active participants at the end of the plan year	6a(2) 4,227
b Retired or separated participants receiving benefits.....	6b 1,349
c Other retired or separated participants entitled to future benefits.....	6c 592
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 6,168
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 29
f Total. Add lines 6d and 6e	6f 6,197
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3F	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

► **Round off amounts to nearest dollar.**
 ► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LANS Defined Benefit Pension Plan	B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Los Alamos National Security, LLC	D Employer Identification Number (EIN) 20-3104541
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B <input type="checkbox"/> Other	
F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value	2a	3,588,132,082	
b Actuarial value	2b	3,404,672,173	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	1,144	807,405,258	807,405,258
b For terminated vested participants.....	594	138,444,744	138,444,744
c For active participants.....	4,462	1,582,161,862	1,585,926,622
d Total.....	6,200	2,528,011,864	2,531,776,624
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	6.46%	
6 Target normal cost.....	6	91,905,185	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="text-align: center;"> Laura Dalzell Signature of actuary </div>	<div style="text-align: center;"> <u>09/14/2016</u> Date <u>1407044</u> Most recent enrollment number <u>415-733-4327</u> Telephone number (including area code) </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <u>Laura Dalzell</u> Type or print name of actuary <u>Towers Watson Delaware Inc.</u> Firm name <u>345 California Street, Suite 2000</u> <u>San Francisco CA 94104</u> Address of the firm </div> <div style="width: 35%;"></div> </div>		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	223,885,547
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	223,885,547
10 Interest on line 9 using prior year's actual return of <u>15.02</u> %	0	33,627,609
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		128,974,486
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.66</u> %		8,589,701
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		137,564,187
d Portion of (c) to be added to prefunding balance.....		137,564,187
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	395,077,343

Part III Funding Percentages

14 Funding target attainment percentage	14	118.87%
15 Adjusted funding target attainment percentage	15	134.47%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	121.59%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2016	134,000,000	0			
12/31/2015	0	29,121,751			
Totals ▶			18(b)	134,000,000	18(c) 29,121,751

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	123,656,089

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	91,905,185										
b Excess assets, if applicable, but not greater than line 31a	31b	91,905,185										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	123,656,089										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	123,656,089										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Schedule SB
Statement by Enrolled Actuary
as of January 1, 2015

Enrolled Actuary Laura C. Dalzell

Enrollment Number 14-07044

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and trustee. The signing enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. There were no applicable conditions that would require any qualification of this certification under 26 CFR 301.6059-1(d).

Plan Name: LANS Defined Benefit Pension Plan
EIN / PN: 20-3104541 / 003
Plan Sponsor: Los Alamos National Security, LLC
Valuation Date: January 1, 2015

Schedule SB, Line 11a
Explanation for Discrepancy in Present Value of Excess Contributions
as of January 1, 2015

The prior year Present Value of Excess Contributions was \$137,564,187 on line 38a of the prior-year Schedule SB and is \$128,974,486 on line 11a of the current year Schedule SB. The balance has been adjusted due to the contribution reported in the 2014 Schedule SB being interest adjusted to January 1, 2015 instead of January 1, 2014.

Plan Name: LANS Defined Benefit Pension Plan
EIN / PN: 20-3104541 / 003
Plan Sponsor: Los Alamos National Security, LLC
Valuation Date: January 1, 2015

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2015

See Part V – Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	q_x^r	l_x	$x-50p_{50} = l_x / l_{50}$	$q_x^r * l_x / l_{50}$	$x * q_x * l_x / l_{50}$
50	0.02	1,000,000	1.000000	0.020000	1.000000
51	0.02	980,000	0.980000	0.019600	0.999600
52	0.02	960,400	0.960400	0.019208	0.998816
53	0.02	941,192	0.941192	0.018824	0.997664
54	0.02	922,368	0.922368	0.018447	0.996158
55	0.03	903,921	0.903921	0.027118	1.491469
56	0.03	876,803	0.876803	0.026304	1.473029
57	0.05	850,499	0.850499	0.042525	2.423922
58	0.05	807,974	0.807974	0.040399	2.343125
59	0.13	767,575	0.767575	0.099785	5.887303
60	0.13	667,791	0.667791	0.086813	5.208767
61	0.13	580,978	0.580978	0.075527	4.607154
62	0.13	505,451	0.505451	0.065709	4.073933
63	0.13	439,742	0.439742	0.057166	3.601488
64	0.13	382,576	0.382576	0.049735	3.183029
65	0.15	332,841	0.332841	0.049926	3.245198
66	0.25	282,915	0.282915	0.070729	4.668092
67	0.25	212,186	0.212186	0.053047	3.554116
68	0.25	159,140	0.159140	0.039785	2.705372
69	0.25	119,355	0.119355	0.029839	2.058867
70	1.00	89,516	0.089516	0.089516	6.266118

Average age at retirement 61.783221

Rounded for Schedule SB item 22 62

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
 Valuation Date: January 1, 2015

Schedule SB, Line 25
Change in Method
as of January 1, 2015

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

Plan Name:	LANS Defined Benefit Pension Plan
EIN / PN:	20-3104541 / 003
Plan Sponsor:	Los Alamos National Security, LLC
Valuation Date:	January 1, 2015

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2015

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		5		11		3		0		0		0		0		0		0	
30 - 34	0		10		60	80,214	113	75,402	4		0		0		0		0		0	
35 - 39	0		7		70	83,021	206	93,803	44	90,722	1		0		0		0		0	
40 - 44	0		12		109	86,688	281	105,949	160	115,275	36	109,182	5		0		0		0	
45 - 49	0		3		97	93,487	250	107,991	255	126,776	103	131,951	29	105,740	3		0		0	
50 - 54	0		2		104	98,043	280	111,897	281	126,069	172	139,197	163	122,349	85	107,645	7		0	
55 - 59	0		1		71	97,925	237	110,252	167	127,519	130	142,939	174	129,364	119	121,479	65	94,936	1	
60 - 64	0		3		45	103,446	139	112,978	72	133,839	38	136,572	61	138,481	38	146,118	20	134,179	0	
65 - 69	0		1		21	112,034	38	110,619	18		8		4		2		4		0	
70 & Over	0		0		3		10		1		0		0		0		0		0	

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
 Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods
as of January 1, 2015

Economic Assumptions

Interest rate basis:

- Applicable month January
- Interest rate basis 3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
● First segment rate	4.72%	1.22%
● Second segment rate	6.11%	4.11%
● Third segment rate	6.81%	5.20%
● Effective interest rate	6.46%	4.72%

Annual rates of increase

- Compensation:
 - Representative rates

Salary Merit Increase Rates

Age	Rate
20	0.00%
25	5.50%
30	5.00%
35	4.40%
40	3.80%
45	3.30%
50	3.00%
55	2.70%
60	2.40%
65	2.20%
70	2.10%

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
 Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality

● **Healthy** Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2030 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2022 using Scale AA).

● **Disabled** Same as healthy mortality.

Termination Representative rates varying by age and service are shown below:

Percentage leaving during the year				
Attained Age	Years of Service			
	0	1	2	3+
20	27%	20%	20%	14%
25	25%	20%	15%	8%
30	23%	18%	15%	6%
35	18%	15%	12%	5%
40	15%	10%	10%	4%
45	15%	7%	6%	3%
50	12%	7%	6%	3%
55	12%	7%	4%	3%
60	12%	7%	4%	3%
65	0%	0%	0%	0%

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
 Plan Sponsor: Los Alamos National Security, LLC
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Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Disability

Representative rates at which participants become disabled by age and gender are shown below:

Percentage becoming disabled during the year		
Age	Males	Females
25	0.15%	0.08%
30	0.16%	0.10%
35	0.18%	0.16%
40	0.22%	0.26%
45	0.28%	0.38%
50	0.37%	0.57%
55	0.51%	0.80%
60	0.78%	1.12%
65	1.24%	1.45%
70	1.80%	1.76%

Retirement

Rates varying by age, average age 62.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rate
50	2.00%
51	2.00%
52	2.00%
53	2.00%
54	2.00%
55	3.00%
56	3.00%
57	5.00%
58	5.00%
59	13.00%
60	13.00%
61	13.00%
62	13.00%
63	13.00%
64	13.00%
65	15.00%
66	25.00%
67	25.00%

Plan Name: LANS Defined Benefit Pension Plan
 EIN / PN: 20-3104541 / 003
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Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

68	25.00%
69	25.00%
70+	100.00%

Benefit commencement date:

- Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 50.
- Deferred vested benefit The later of age 59 or termination of employment.
- Disability benefit The later of age 59 or disability.
- Retirement benefit Upon termination of employment.

Form of payment

Single participants: single life annuity
Married participants: joint and 50% survivor annuity

Percent married

It is assumed that the following percentages of males and females have an eligible dependent. Representative rates of percentage married at certain ages are shown below:

Percentage married		
Age	Males	Females
20	58.0%	66.5%
25	85.0%	89.5%
30	91.5%	92.5%
35	93.0%	94.0%
40	93.5%	93.5%
45	94.0%	92.5%
50	95.0%	91.0%
55	94.5%	89.0%
60	94.0%	85.0%
65	93.0%	80.0%

Spouse age

Wife three years younger than husband.

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Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Covered pay	Prior year pensionable earnings rolled forward one year with the salary increase assumption.
Administrative expenses	The expense load was based on the prior year's actual plan administrative expenses, minus the previous year's PBGC premium, plus the current year's estimated PBGC premium rounded to the nearest \$100,000 (\$1,400,000 for 2015).
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of the plan year.
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan related expenses expected to be paid from the plan year as required by regulations under IRC §430.
Actuarial value of assets for determining minimum required contributions	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(c)(iii).</p>
Benefits not valued	Willis Towers Watson is not aware of any other significant benefits required to be valued that were not.

Plan Name: LANS Defined Benefit Pension Plan
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Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Rates of increase in:	
<ul style="list-style-type: none"> Compensation, National Average Wages (NAW), and CPI 	Assumed increases were chosen by the plan sponsor and, as required by the IRC, they represent an estimate of future experience.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Disabled Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	<p>Termination rates were based on an experience study conducted October 2013.</p> <p>Termination rates for at-risk funding calculations are as required by IRC 430.</p>
Disability	Disability rates are based on future expectation informed by past experience.
Retirement	<p>Retirement rates were based on an experience study conducted October 2013.</p> <p>Retirement rates for at-risk funding calculations are as required by IRC 430.</p>
Benefit commencement date for deferred benefits:	
<ul style="list-style-type: none"> Preretirement death benefit 	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
<ul style="list-style-type: none"> Deferred vested benefit 	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement.
Form of payment	The retiring participants eligible for joint and survivor annuities are assumed to take the 50% joint and survivor annuity since the benefit form is subsidized by LANS.

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Schedule SB, Part V
Statement of Actuarial Assumptions/Methods (continued)
as of January 1, 2015

Percent married	The assumed percentage married is based on observed experience.
Spouse age	The assumed age difference for spouses is based on observed experience.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Changes in Assumptions and Methods

Change in assumptions since prior valuation	<p>A change in the interest rate assumption from segment rates as of January 2014 to segment rates as of January 2015, each adjusted as applicable to fall within the 25-year average interest rate corridor under MAP-21.</p> <p>A change in the mortality assumption from the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2015 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).</p>
Change in methods since prior valuation	None.

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Statement of Plan Provisions
as of January 1, 2015

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective March 15, 2012.

Covered employees Employed or on an Approved Leave of Absence with the University of California on May 31, 2006;

Former participant (or eligible to become a participant) in the University of California Retirement Plan (UCRP); and

Elected to accept employment with LANS under Total Compensation Package 1 ("TCP1") as of June 1, 2006 (or later date if on an Approved Leave of Absence).

Participation Date Later of June 1, 2006 or date of becoming an Eligible Employee.

Definitions

Highest Average Plan Compensation (HAPC) Monthly amount that is the highest average Full-Time Equivalent Compensation during 36 continuous months.

For inactive Members, HAPC is adjusted each July 1 for movement in the CPI but not more than 2.0%. However, if movement in the CPI exceeds 4.0%, then HAPC is adjusted by 2.0% plus 75% of the amount that CPI movement exceeds 4.0%. The maximum adjustment is 6%. No adjustment to HAPC is provided after the earlier of a Member's Retirement date and a Member's Normal Retirement Date.

Full-Time Equivalent Compensation 100% of Plan Compensation (base salary excluding overtime or bonus pay) which a Member would earn from the Employer for that calendar month.

Credited Service One year for each Plan Year in which a Member earns 2,080 hours or more and prorated for Plan Years in which a Member earns less than 2,080 hours. For Members who retire within 120 days of Termination of service, proportional Credited Service will be granted for accumulated sick leave based on a 2,080-hour year. Includes Credited Service earned under the UCRP.

Period of Service Years and complete months from Employment Commencement Date to date of Termination.

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Schedule SB, Part V
Statement of Plan Provisions (continued)
as of January 1, 2015

Actuarial Equivalent Mortality	1994 GAR Mortality Table for males (set back three years for Members and set back five years for beneficiaries).
Actuarial Equivalent Interest	7.5%
Actuarial Equivalent COLA	2% per year
Normal Retirement Date (NRD)	First of month coinciding with or next following the attainment of age 60 with five years of Credited Service.

Eligibility for Benefits

Normal Retirement	Age 60 and completion of five-year period of service.
Early Retirement	Age 50 and completion of five-year period of service.
Late (or Deferred) Retirement	Any time after eligibility for Normal Retirement.
Vested Termination	Completion of five-year period of service.
Disability	Completion of five-year period of service and eligible for and receives disability income under the Employer's Defined Benefit Disability Program.
Preretirement Death Benefit	Active with period of service of two years or inactive vested (including Disabled Members) with a spouse on date of death.
Basic Death Benefit	Active with two years of service or inactive vested (including Disabled Members).

Benefits Paid Upon the Following Events

Basic Retirement Income	Monthly annuity is the product of: <ul style="list-style-type: none">a. 2.5%b. Highest Average Plan Compensation less \$133; andc. Years of Credited Service. The product of (a) and (c) is limited to 100%.
Social Security Supplement	Monthly annuity payable until age 65 is the product of: <ul style="list-style-type: none">a. 2.5%

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Schedule SB, Part V
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b. \$133; and

c. Years of Credited Service.

The product of (a) and (c) is limited to 100%.

**Adjustment for Members With
Non Coordinated benefits
May 31, 2006**

For Members entitled to Social Security benefits:

- ▶ In calculation of Basic Retirement Income, offset \$133 only for Credited Service earned after June 1, 2006.
- ▶ Calculation of Social Security Supplement based on Credited Service after June 1, 2006.

For Members not entitled to Social Security benefits:

- ▶ Basic Retirement Income will be calculated without the \$133 offset.
- ▶ Neither the Member nor the Member's spouse shall be eligible for the Social Security Supplement.

Early Retirement

Normal Retirement benefits and Social Security Supplements are reduced according to the following table:

Percentage of Age 60 Benefit	
Age	Percentage
50	44.0%
51	49.6%
52	55.2%
53	60.8%
54	66.4%
55	72.0%
56	77.6%
57	83.2%
58	88.8%
59	94.4%
60	100.0%

Late (or Deferred) Retirement

Normal Retirement benefit actuarially increased for those months in which the Member was credited for less than 40 hours of service and for those months after April 1 of the

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Schedule SB, Part V
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as of January 1, 2015

calendar year following the year the Member turns age 70½ regardless of the hours of service.

Vested Termination

Early Retirement benefit commencing at Early Retirement Date.

Disability

Early or Normal Retirement benefit. Credited Service continues to accrue until earlier of the date the Member ceases to be Disabled, retires, or reaches Normal Retirement Date.

Maximum Basic Retirement Income is greater of:

- ▶ Basic Retirement Income under vested Termination; or
- ▶ 40% of final complete month of Full-Time Equivalent Compensation. The 40% factor is increased to 60% for Members with non-coordinated benefits under the UCRP.

Preretirement Death

Not Retirement eligible: Amount that would be paid if participant had Terminated on the earlier of date of Termination or date of death, survived until the spouse's date of Retirement, elected a 50% joint and contingent annuity naming the spouse as the Contingent Annuitant, and then died. The spouse's date of Retirement may not be earlier than the date the Member would have attained 50 nor later than the Member's Normal Retirement Date.

Retirement eligible: Same as above, except that Member is assumed to have elected a 100% joint and contingent annuity.

Basic Death Benefit

\$7,500. However, active Members who were participants in the UCRP prior to October 1, 1990 receive the greater of \$7,500 or \$1,500 plus one month of Full-Time Equivalent Compensation.

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Schedule SB, Part V
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as of January 1, 2015

Other Plan Provisions

Normal Forms of Payment	50% joint and contingent annuity for married participants, single life annuity for unmarried participants.
Optional Forms of Payment of the Basic Retirement Income	100% joint and contingent, 75% joint and contingent, 66.67% joint and contingent, 50% joint and contingent, and single life annuity.
Calculation of Joint and Contingent Form	Actuarial Equivalent of the single life annuity increased by 2.4%. For Members with non-coordinated benefits on May 31, 2006, the 2.4% factor is replaced by 4.8%, except that if such Members are eligible for Social Security benefits, the factor shall be 4.8% for Credited Service earned prior to June 1, 2006 and 2.4% for Credited Service earned after June 1, 2006.
Employee Contributions	<p>Beginning April 19, 2010, a participant must contribute 2% of earnings below the Social Security wage base plus 4% of earnings above the Social Security wage base minus \$228 per year.</p> <p>Beginning April 18, 2011, a participant must contribute 4% of earnings below the Social Security wage base plus 6% of earnings above the Social Security wage base minus \$228 per year.</p> <p>Beginning April 16, 2012, a participant must contribute 6% of earnings below the Social Security wage base plus 8% of earnings above the Social Security wage base minus \$228 per year.</p>
Cost of Living Adjustment Applied to Basic Retirement Income	The monthly benefit shall be adjusted on each July 1 for movement in the CPI but not more than 2.0%. However, if movement in the CPI exceeds 4.0%, then the benefit is adjusted by 2.0% plus 75% of the amount that CPI movement exceeds 4.0%. The maximum adjustment is 6%. No adjustment shall be made if it will decrease the benefit.
Maximum on Benefits and Pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

No future plan changes were recognized.

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Schedule SB, Part V
Statement of Plan Provisions (continued)
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Changes in Benefits Valued Since Prior Year

The plan reporting valuations do not reflect any plan changes.

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Plan Sponsor: Los Alamos National Security, LLC
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Schedule SB, Line 11a
Explanation for Discrepancy in Present Value of Excess Contributions
as of January 1, 2015

The prior year Present Value of Excess Contributions was \$137,564,187 on line 38a of the prior-year Schedule SB and is \$128,974,486 on line 11a of the current year Schedule SB. The balance has been adjusted due to the contribution reported in the 2014 Schedule SB being interest adjusted to January 1, 2015 instead of January 1, 2014.

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Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2015

See Part V – Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	q_x^r	l_x	${}_{x-50}p_{50} = l_x / l_{50}$	$q_x^r * l_x / l_{50}$	$x * q_x * l_x / l_{50}$
50	0.02	1,000,000	1.000000	0.020000	1.000000
51	0.02	980,000	0.980000	0.019600	0.999600
52	0.02	960,400	0.960400	0.019208	0.998816
53	0.02	941,192	0.941192	0.018824	0.997664
54	0.02	922,368	0.922368	0.018447	0.996158
55	0.03	903,921	0.903921	0.027118	1.491469
56	0.03	876,803	0.876803	0.026304	1.473029
57	0.05	850,499	0.850499	0.042525	2.423922
58	0.05	807,974	0.807974	0.040399	2.343125
59	0.13	767,575	0.767575	0.099785	5.887303
60	0.13	667,791	0.667791	0.086813	5.208767
61	0.13	580,978	0.580978	0.075527	4.607154
62	0.13	505,451	0.505451	0.065709	4.073933
63	0.13	439,742	0.439742	0.057166	3.601488
64	0.13	382,576	0.382576	0.049735	3.183029
65	0.15	332,841	0.332841	0.049926	3.245198
66	0.25	282,915	0.282915	0.070729	4.668092
67	0.25	212,186	0.212186	0.053047	3.554116
68	0.25	159,140	0.159140	0.039785	2.705372
69	0.25	119,355	0.119355	0.029839	2.058867
70	1.00	89,516	0.089516	0.089516	6.266118

Average age at retirement 61.783221

Rounded for Schedule SB item 22 62

Plan Name: LANS Defined Benefit Pension Plan
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Schedule SB
Statement by Enrolled Actuary
as of January 1, 2015

Enrolled Actuary Laura C. Dalzell

Enrollment Number 14-07044

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and trustee. The signing enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. There were no applicable conditions that would require any qualification of this certification under 26 CFR 301.6059-1(d).

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Schedule SB, Part V
Statement of Plan Provisions
as of January 1, 2015

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective March 15, 2012.

Covered employees Employed or on an Approved Leave of Absence with the University of California on May 31, 2006;

Former participant (or eligible to become a participant) in the University of California Retirement Plan (UCRP); and

Elected to accept employment with LANS under Total Compensation Package 1 ("TCP1") as of June 1, 2006 (or later date if on an Approved Leave of Absence).

Participation Date Later of June 1, 2006 or date of becoming an Eligible Employee.

Definitions

Highest Average Plan Compensation (HAPC) Monthly amount that is the highest average Full-Time Equivalent Compensation during 36 continuous months.

For inactive Members, HAPC is adjusted each July 1 for movement in the CPI but not more than 2.0%. However, if movement in the CPI exceeds 4.0%, then HAPC is adjusted by 2.0% plus 75% of the amount that CPI movement exceeds 4.0%. The maximum adjustment is 6%. No adjustment to HAPC is provided after the earlier of a Member's Retirement date and a Member's Normal Retirement Date.

Full-Time Equivalent Compensation 100% of Plan Compensation (base salary excluding overtime or bonus pay) which a Member would earn from the Employer for that calendar month.

Credited Service One year for each Plan Year in which a Member earns 2,080 hours or more and prorated for Plan Years in which a Member earns less than 2,080 hours. For Members who retire within 120 days of Termination of service, proportional Credited Service will be granted for accumulated sick leave based on a 2,080-hour year. Includes Credited Service earned under the UCRP.

Period of Service Years and complete months from Employment Commencement Date to date of Termination.

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Schedule SB, Part V
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as of January 1, 2015

Actuarial Equivalent Mortality	1994 GAR Mortality Table for males (set back three years for Members and set back five years for beneficiaries).
Actuarial Equivalent Interest	7.5%
Actuarial Equivalent COLA	2% per year
Normal Retirement Date (NRD)	First of month coinciding with or next following the attainment of age 60 with five years of Credited Service.

Eligibility for Benefits

Normal Retirement	Age 60 and completion of five-year period of service.
Early Retirement	Age 50 and completion of five-year period of service.
Late (or Deferred) Retirement	Any time after eligibility for Normal Retirement.
Vested Termination	Completion of five-year period of service.
Disability	Completion of five-year period of service and eligible for and receives disability income under the Employer's Defined Benefit Disability Program.
Preretirement Death Benefit	Active with period of service of two years or inactive vested (including Disabled Members) with a spouse on date of death.
Basic Death Benefit	Active with two years of service or inactive vested (including Disabled Members).

Benefits Paid Upon the Following Events

Basic Retirement Income	Monthly annuity is the product of: <ul style="list-style-type: none">a. 2.5%b. Highest Average Plan Compensation less \$133; andc. Years of Credited Service. The product of (a) and (c) is limited to 100%.
Social Security Supplement	Monthly annuity payable until age 65 is the product of: <ul style="list-style-type: none">a. 2.5%

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Schedule SB, Part V
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b. \$133; and

c. Years of Credited Service.

The product of (a) and (c) is limited to 100%.

**Adjustment for Members With
Non Coordinated benefits
May 31, 2006**

For Members entitled to Social Security benefits:

- ▶ In calculation of Basic Retirement Income, offset \$133 only for Credited Service earned after June 1, 2006.
- ▶ Calculation of Social Security Supplement based on Credited Service after June 1, 2006.

For Members not entitled to Social Security benefits:

- ▶ Basic Retirement Income will be calculated without the \$133 offset.
- ▶ Neither the Member nor the Member's spouse shall be eligible for the Social Security Supplement.

Early Retirement

Normal Retirement benefits and Social Security Supplements are reduced according to the following table:

Percentage of Age 60 Benefit	
Age	Percentage
50	44.0%
51	49.6%
52	55.2%
53	60.8%
54	66.4%
55	72.0%
56	77.6%
57	83.2%
58	88.8%
59	94.4%
60	100.0%

Late (or Deferred) Retirement

Normal Retirement benefit actuarially increased for those months in which the Member was credited for less than 40 hours of service and for those months after April 1 of the

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calendar year following the year the Member turns age 70½ regardless of the hours of service.

Vested Termination

Early Retirement benefit commencing at Early Retirement Date.

Disability

Early or Normal Retirement benefit. Credited Service continues to accrue until earlier of the date the Member ceases to be Disabled, retires, or reaches Normal Retirement Date.

Maximum Basic Retirement Income is greater of:

- ▶ Basic Retirement Income under vested Termination; or
- ▶ 40% of final complete month of Full-Time Equivalent Compensation. The 40% factor is increased to 60% for Members with non-coordinated benefits under the UCRP.

Preretirement Death

Not Retirement eligible: Amount that would be paid if participant had Terminated on the earlier of date of Termination or date of death, survived until the spouse's date of Retirement, elected a 50% joint and contingent annuity naming the spouse as the Contingent Annuitant, and then died. The spouse's date of Retirement may not be earlier than the date the Member would have attained 50 nor later than the Member's Normal Retirement Date.

Retirement eligible: Same as above, except that Member is assumed to have elected a 100% joint and contingent annuity.

Basic Death Benefit

\$7,500. However, active Members who were participants in the UCRP prior to October 1, 1990 receive the greater of \$7,500 or \$1,500 plus one month of Full-Time Equivalent Compensation.

Plan Name: LANS Defined Benefit Pension Plan
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Plan Sponsor: Los Alamos National Security, LLC
Valuation Date: January 1, 2015

Schedule SB, Part V
Statement of Plan Provisions (continued)
as of January 1, 2015

Other Plan Provisions

Normal Forms of Payment	50% joint and contingent annuity for married participants, single life annuity for unmarried participants.
Optional Forms of Payment of the Basic Retirement Income	100% joint and contingent, 75% joint and contingent, 66.67% joint and contingent, 50% joint and contingent, and single life annuity.
Calculation of Joint and Contingent Form	Actuarial Equivalent of the single life annuity increased by 2.4%. For Members with non-coordinated benefits on May 31, 2006, the 2.4% factor is replaced by 4.8%, except that if such Members are eligible for Social Security benefits, the factor shall be 4.8% for Credited Service earned prior to June 1, 2006 and 2.4% for Credited Service earned after June 1, 2006.
Employee Contributions	<p>Beginning April 19, 2010, a participant must contribute 2% of earnings below the Social Security wage base plus 4% of earnings above the Social Security wage base minus \$228 per year.</p> <p>Beginning April 18, 2011, a participant must contribute 4% of earnings below the Social Security wage base plus 6% of earnings above the Social Security wage base minus \$228 per year.</p> <p>Beginning April 16, 2012, a participant must contribute 6% of earnings below the Social Security wage base plus 8% of earnings above the Social Security wage base minus \$228 per year.</p>
Cost of Living Adjustment Applied to Basic Retirement Income	The monthly benefit shall be adjusted on each July 1 for movement in the CPI but not more than 2.0%. However, if movement in the CPI exceeds 4.0%, then the benefit is adjusted by 2.0% plus 75% of the amount that CPI movement exceeds 4.0%. The maximum adjustment is 6%. No adjustment shall be made if it will decrease the benefit.
Maximum on Benefits and Pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

No future plan changes were recognized.

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Schedule SB, Part V
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as of January 1, 2015

Changes in Benefits Valued Since Prior Year

The plan reporting valuations do not reflect any plan changes.

Plan Name: LANS Defined Benefit Pension Plan
EIN / PN: 20-3104541 / 003
Plan Sponsor: Los Alamos National Security, LLC
Valuation Date: January 1, 2015

Schedule SB, Line 25
Change in Method
as of January 1, 2015

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

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Plan Sponsor:	Los Alamos National Security, LLC
Valuation Date:	January 1, 2015